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# HALDIMAND COUNTY

## Report WWE-01-2024 Budget Amendment – Dunnville and Cayuga Master Servicing Plans



For Consideration by Council in Committee on May 21, 2024

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### OBJECTIVE:

To obtain Council approval for a capital budget amendment for the Dunnville and Cayuga Master Servicing Plan studies.

### RECOMMENDATIONS:

1. THAT Report WWE-01-2024 Budget Amendment – Dunnville and Cayuga Master Servicing Plans be received;
2. AND THAT the revised budgets as outlined in Report WWE-01-2024 be approved.

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**Reviewed by:** Philip Wilson, C.E.T., PMP, Manager, Water and Wastewater Engineering

**Respectfully submitted:** Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

**Approved:** Cathy Case, Chief Administrative Officer

### EXECUTIVE SUMMARY:

An update to the Master Servicing Plans (MSPs) for both Dunnville and Cayuga is required in order to meet the objectives of the County's Official Plan (OP) and ensure the County has an implementation strategy for required infrastructure to support future growth in these communities.

The Dunnville and Cayuga MSPs were recently procured under the same Request for Proposal to complete both MSP updates in tandem. Only one bid submittal was received and the pricing is in excess of the current approved budget. A budget amendment of \$60,910 is required to award the work to the recommended bidder.

### BACKGROUND:

In order to meet the objectives of the County's Official Plan (OP) and given the rate of growth being experienced across Haldimand County, the County updates the existing Master Servicing Plans (MSPs) approximately every six years for each of Caledonia, Hagersville, Jarvis, Dunnville and Cayuga. The communities of Dunnville and Cayuga have both been identified as requiring a Master Servicing Plan (MSP) Update for the four servicing components of water, wastewater, stormwater and transportation. MSPs were last completed for Dunnville and Cayuga in 2009 and 2010, respectively.

The MSP updates will incorporate information including current land use, growth forecasts, known details of proposed developments, updated models for water, wastewater, storm and transportation, and consultation with stakeholders, the local community and First Nations communities to develop an

implementation strategy for infrastructure that will best meet the servicing requirements of each community and accommodate future growth.

Completing the MSP update for Dunnville and Cayuga will fulfill the requirements of Phases 1 and 2 of the Municipal Class Environmental Assessment (MCEA) process, allowing projects identified as Schedule B to advance within the 10 year timeframe without additional MCEA activities. The MSP updates will establish a long term servicing strategy that identifies key infrastructure improvements needed to support growth out to the planning horizon of 2051, which in turn facilitates a more comprehensive and accurate assessment of Development Charges that will fund growth related infrastructure upgrade projects. By having a long term servicing plan in place, the County avoids short-term, reactive servicing solutions to infrastructure needs that are potentially inefficient, costly, and not in alignment with an overall sustainable strategy. With a long term servicing strategy, decision making can occur that will enable the incremental build-out of infrastructure as part of a comprehensive overall plan.

Section 4.6 of Procurement Policy 2023-02 provides the parameters for reallocating budget funds for capital projects to address budget deficits. Under this policy, if the budget shortfall exceeds \$100,000 or 20% of the approved project budget, a report to Council is required to authorize the proposed amendments. Reallocations within specific programs or technical functional areas are also permitted, as outlined in the Procurement Procedures.

## **ANALYSIS:**

The proposed Dunnville and Cayuga MSP updates were procured under the scope of one Request For Proposal (RFP). The RFP closed March 26th, 2024 and was reviewed for completeness and correctness by the Evaluation Committee which included County staff members from Planning and Engineering & Capital Works. The only bid received was from J.L. Richards and Associates Limited, and the submission passed the technical review.

J.L. Richards have a proven track record with Master Servicing Plan study work with Haldimand County. In recent years, J.L. Richards has completed the Jarvis MSP Update, Caledonia MSP and boundary expansion servicing review and is in the final stages of the Hagersville MSP Update. While the County only received one bid submission, given J.L. Richards experience with reviewing and updating Haldimand servicing studies, staff believe the identified costs are reasonable and represent value to the County.

The budgets established for the Dunnville and Cayuga MSP Updates were reviewed by Engineering and Capital Works staff. In this instance the project budget is believed to be underestimated as a result of pricing that did not reflect the more recently established level of effort required to complete updates to these original and relatively old MSPs.

As an example, unanticipated additional efforts and project time to address servicing matters was experienced during the recent Hagersville MSP update because it had been more than 13 years since the MSP was completed. Additionally, enhanced engagement with First Nations communities was also beyond the anticipated time allotment provisioned for in the budget. These additional efforts were not factored into the approved budgets for the Cayuga and Dunnville MSPs.

Going forward the planned schedule of updating MSPs every six years will address these project challenges.

## FINANCIAL/LEGAL IMPLICATIONS:

The Rate Supported Capital Budget includes \$110,000 related to the Water and Wastewater servicing components of the MSP updates. The Tax Supported Capital Budget includes \$46,600 related to stormwater servicing and \$62,400 for transportation servicing for the MSP updates. Based on the bid proposal results, staff propose revisions to the existing budgets as follows:

	2024 Approved Budget	Additional Funding Required*	Proposed Revised Budget*
<b>Dunnville Capital Expenditures:</b>			
476028 – Water	\$30,000	\$6,700	\$36,700
456014 – Wastewater	\$30,000	\$6,700	\$36,700
495016 – Stormwater	\$30,800	\$6,900	\$37,700
377008 – Transportation	\$30,800	\$6,900	\$37,700
<b>Total Dunnville</b>	<b>\$121,600</b>	<b>\$27,200</b>	<b>\$148,800</b>
<b>Cayuga Capital Expenditures:</b>			
475017 – Water	\$25,000	\$8,800	\$33,800
455014 – Wastewater	\$25,000	\$8,800	\$33,800
495017 – Stormwater	\$15,800	\$5,600	\$21,400
377009 – Transportation	\$31,600	\$11,100	\$42,700
<b>Total Cayuga</b>	<b>\$97,400</b>	<b>\$34,300</b>	<b>\$131,700</b>
<b>Total Capital Expenditures</b>	<b>\$219,000</b>	<b>\$61,500</b>	<b>\$280,500</b>
<b>Financing:</b>			
CRRF Water	\$55,000	(\$55,000)	\$0
CRRF Sewer	\$55,000	(\$55,000)	\$0
DCRF Water	\$0	\$70,500	\$70,500
DCRF Sewer	\$0	\$70,500	\$70,500
CRR General	\$61,600	(\$61,600)	\$0
Canada Community-Building Fund RF	\$47,400	(\$47,400)	\$0
DCRF Storm Sewer	\$0	\$59,100	\$59,100
DCRF Roads	\$0	\$80,400	\$80,400
<b>Total Financing</b>	<b>\$219,000</b>	<b>\$61,500</b>	<b>\$280,500</b>

\*amounts include 1.76% non-rebatable HST

It should be noted that these projects are potentially to be funded 100% through Development Charges. Previously, the use of DC funding for Master Servicing Plan projects had been disallowed as a result

changes to the Development Charges Act, however, the introduction of Bill 185 will potentially reverse that prior change and reinstate the ability to utilize those funds.

Provided the funding is approved, staff will proceed with the award of the project through a purchase order.

Engineering and Capital Works staff will also be reviewing the future MSP budgets in the ten year capital budgets to incorporate the current market conditions and time allotment for engineering services related to these studies.

## **STAKEHOLDER IMPACTS:**

Updating the MSPs for Cayuga and Dunnville is needed in order to understand the current and future infrastructure needs of both communities. The implementation strategy developed by the MSPs will inform the planning and engineering analysis for development proposals going forward and ensure the County has a proactive and comprehensive strategy to support expected growth.

Engineering & Capital Works staff work closely with Planning staff to develop MSPs that will match community growth to the planning horizon and are in alignment with the County's OP.

One of the key principles of a successful MSP is consultation with stakeholders and community members. In order to maximize public awareness about the MSP process, the consultation strategy for this project includes four Public Information Centres (PICs) (two for each of Cayuga and Dunnville), direct consultation with affected parties including review agencies and Indigenous communities, a dedicated project webpage on the County website and public notices sent directly to interested parties and placed in local newspapers. The goal is a cooperative planning process that incorporates local concerns and comments in the final implementation strategy.

## **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

## **REFERENCES:**

None.

## **ATTACHMENTS:**

None.